

Service Date: December 5, 1989

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER Of the Request of)	
MONTANA-DAKOTA UTILITIES COMPANY)	UTILITY DIVISION
TO Change the Assumed Atmospheric)	
Pressure Used For Billing Purposes)	DOCKET NO. 89.11.43
And Refine The Zoning Configuration)	
For Thermal Zones 20 and 21.)	INTERIM ORDER NO. 5436
_____)	

* * * * *

INTERIM ORDER

* * * * *

FINDINGS OF FACT

On December 23, 1987, the Montana Public Service Commission (PSC or Commission) approved Order No. 5316 in Docket No. 87.9.47, which granted authority for Montana-Dakota Utilities Company (MDU or Company) to convert to therm billing in its gas operations and to establish thermal zones.

On November 20, 1989, the Commission received a request from MDU to change the assumed atmospheric pressure used for billing purposes and to further refine the zoning configuration for Zones 20 and 21. This filing was designated Docket No. 89.11.43.

In this filing, the Company states that it has been advised by Williston Basin Interstate Pipeline Company (WBIP), that on January 1, 1990, they will implement a change in the assumed atmospheric pressure which will affect nine (9) delivery points in

Montana. Williston Basin will be charging MDU for gas deliveries based on these recalculated assumed atmospheric pressures and MDU wishes to bill its customers on the same basis. MDU states that several different formulas, graphs, and tables had previously been used to arrive at assumed atmospheric pressures for gas measurement purposes at gas receipt and delivery points throughout the service territory. MDU proposes an equation (taken from Smithsonian Physical Tables, 7th Revised Edition, Page 145) to use as the standard to recalculate assumed atmospheric pressures at all present and future Williston Basin/Montana-Dakota custody transfer and sales/receipt points. United States Geological Survey contour maps would be used to establish the elevation of Montana-Dakota delivery/receipt points to be used in the equation to establish assumed atmospheric pressures. (Application pp. 1-2)

The proposed effective date for the atmospheric pressure changes is January 1, 1990. This is the date that Williston Basin will begin billing Montana-Dakota based upon the changes. This will allow all reports for the year to be based on the same elevation equation. (Application p. 2)

MDU also proposes to refine the zoning configuration for Thermal Zones 20 and 21. MDU proposes to create a new Zone 212 (currently within Zone 21), which would utilize a monthly sampler at the Savage border station to measure the BTU content. The new Zone 212 would include the town of Savage and farm-line customers from a point one mile north of the Dawson- Richland County line to the point where input from the Koch Plant intersects with the Glendive-Williston line at Montana State Highway No. 20. Zone 21 would be renumbered as Zone 211 and would begin at Montana State Highway No. 20 rather than the current boundary at Morgan Creek. This zone would continue to be measured with a monthly sampler at Holly Sugar. (Application p. 3)

Zone 20 would be extended northward to the point one mile north of the Dawson-Richland County line, which would include twelve farm-line customers originally served in Zone 21. The assumed atmospheric pressure for these customers would be the same as the Glendive Division. A copy of the map showing the proposed changes was attached to the filing. (Application p. 3)

MDU proposes to implement the extension of Zone 20 (to include the southern portion of Zone 21) on the 10th workday of December when the monthly BTU content is changed for billing purposes. Assuming that the sampler to be placed at the Savage border station is received, installed and in service for the major portion of December 1989, MDU proposes to implement the Zone 212 change on the 10th workday in January when the monthly BTU content is changed for billing purposes. If the sampler has not been in service for the major portion of December 1989, MDU proposes to implement the Zone 212 change in February 1990. (Application p. 3)

MDU requests that this filing be accepted as being in full compliance with the filing requirements of the Commission.

Commission Analysis

The Commission believes that the Montana Consumer Counsel (MCC) and other interested parties, may desire to comment on the proposed changes in atmospheric pressure used for billing purposes in each thermal zone. It is possible that this proposal may be a controverted issue in this proceeding. Therefore, the Commission finds that MDU's proposal to change assumed atmospheric pressure levels is not proper in this Interim proceeding. In denying MDU's request, the Commission urges all interested parties, especially MCC, to comment on this proposal during the course of this proceeding. Accordingly, the Commission will address this matter in the Final Order in this proceeding.

The Commission believes that MDU's proposals in this filing regarding the refinement and alteration of the zoning configuration for Zones 20 and 21 more accurately

reflect current BTU levels of gas in the respective areas. Therefore, on an interim basis, the Commission approves MDU's request in this filing to modify the designations and boundaries of Zones 20 and 21.

Concerning all the proposals in this filing, the Commission will issue a Notice of Opportunity for Public Hearing in the near future. If no requests for public hearing are received on this matter, the Commission may then issue a Default Order approving MDU's request on a final basis, including the proposal to alter the assumed atmospheric pressure levels.

Concerning the effective date of implementation for the zone changes, the Commission finds that these changes, on an interim basis, are effective for services rendered on and after December 1, 1989.

CONCLUSIONS OF LAW

Applicant, Montana-Dakota Utilities Company, provides natural gas service within the State of Montana and as such is a "public utility" within the meaning of Section 69-3-101, MCA.

The Montana Public Service Commission properly exercises jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.

Section 69-3-304, MCA, provides, in part, that the Commission may, in its discretion, temporarily approve applications pending a hearing or final decision.

The rebate provisions of Section 69-3-304, MCA, protect ratepayers in the event that any revenue increases authorized by this Interim Order are found to be unjustified in the Final Order in this Docket.

ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

Applicant, Montana-Dakota Utilities Company, is hereby granted authority, on an interim basis, to refine the zoning configuration for Zones 20 and 21, in the manner proposed in this filing.

Applicant's request in this filing for authority to change assumed atmospheric pressure levels is denied on an interim basis, pending an opportunity for public hearing.

Rate schedules and maps filed in response to this Interim Order shall comport with all Commission determinations set forth in this Interim Order.

Nothing in this Interim Order precludes the Commission from adopting in its final order, after review of the entire record in this Docket, a decision different from that contained in this Order.

The effective date for this order is for services rendered on and after December 1, 1989.

The Commission accepts, for interim purposes, MDU's request that this filing is in full compliance with the filing requirements of the Commission, and the Commission reserves final ruling on this request until a Final Order is issued.

DONE IN OPEN SESSION at Helena, Montana, this 1st day of December, 1989, by a 5- 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.